

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

NO. 21-CR-20721

vs.

HON. SEAN F. COX

D-1 TIMOTHY EDMUNDS,

Defendant.

/

SENTENCING MEMORANDUM OF THE UNITED STATES

I. Introduction

“*He stole more than money.*” That is what one UAW Local 412 member said about what defendant Timothy Edmunds did in embezzling over \$2 million from the union while he served as its Financial Secretary Treasurer. Edmunds betrayed and wrecked the trust of the local union’s membership, their families, and union members across the country. Edmunds didn’t just steal money, he robbed union members of their confidence in the leadership and integrity of their organization. Just as public corruption poisons the public and fills citizens with cynicism, union corruption like that epitomized by Edmunds undermines and destroys institutions designed to help real people. Members of UAW Local 412 described themselves as feeling “violated,” “appalled,” “sick,” “embarrassed,” and “betrayed.” Not only did

Edmunds inflict financial devastation on UAW Local 412, but he also harmed the cause of the union movement across this nation. In fact, Elon Musk pointed out Edmunds' crimes to millions of people by linking over Twitter to an article about Edmunds, and then Musk described the UAW's slogan as “‘Fighting for the right to embezzle money from auto workers!’”

As the victim impact statements and the dollars and cents demonstrate, Edmunds inflicted real damage on people and institutions, all in the service of “his personal greed and immoral lifestyle.” For his actions, Edmunds is deserving of a prison sentence of 57 months, at the very top of the guideline range, and an order of restitution of \$2,143,363.49.

II. Analysis of Sentencing Factors

A. Sentencing Guideline Range

The parties and the Probation Officer agree as to the correct sentencing guideline range applicable in this case. In the Rule 11 agreement, the parties agreed that the amount of fraud loss for which Edmunds is responsible is over \$1.5 million. As a result, Edmunds' sentencing guideline range is 46 to 57 months. Under the terms of the plea agreement, the Court is not bound by the sentencing guideline range.

B. Seriousness of the Offense

There is no question that Edmunds' crimes were substantial and serious. It is also significant that they took place over the course of six years. While serving as the Financial Secretary Treasurer of UAW Local 412, Edmunds stole \$2.1 million from his union. Funds that came from the dues payments of individual members. Edmunds then used his theft proceeds to gamble huge amounts of money, to buy or lease high-end vehicles, to buy a laundry list of firearms, and to maintain a lavish lifestyle for himself and his multiple wives.

To accomplish his embezzlement scheme, Edmunds kept the leaders and membership of Local 412 in the dark for years as to the true financial state of the union. Edmunds engaged in money laundering, and he manufactured fake bank statements that he used to conceal his crimes. In 2021, when an International UAW auditor proved to be too diligent, Edmunds' scheme finally unraveled.

In the meantime, over the course of six years, Edmunds ran Local 412 dry and emptied its treasury to satisfy his own personal greed. In one instance, Edmunds used his union debit card to withdraw \$30,000 in cash in one night at a casino to fund his gambling. Over the course of six years, Edmunds transferred hundreds of thousands of dollars from the union's bank account to an account that Edmunds'

controlled. Edmunds then used the stolen money to pay huge personal American Express bills.

Edmunds directly harmed UAW Local 412 and its membership by stealing \$2.1 million. This is money that should have been spent for the benefit of the membership and for legitimate union expenses like worker training and charitable community gifts. Now, because of the financial harm imposed on Local 412, the International UAW has been forced to take over, fund, and manage the local. Local 412 has some 2,600 members, and the loss of \$2.1 million in funds is devastating to the union local and its ability to conduct business. One Local 412 member stated that he felt “scared for my future,” and that Edmunds’ crime made him feel “violated” and “appalled.” Another union member said that Edmunds had stolen money from each of them. The local was described as being in “deep financial trouble.” Many union members expressed how they had thought their dues money was being spent for the benefit of workers and the community, only to be betrayed in learning that Edmunds instead used it to satisfy his own greed.

The greater harm from Edmunds’ crimes, however, is common to all corruption offenses. Through his embezzlement scheme, Edmunds further undermined the trust and confidence the UAW’s membership and the public had in the UAW’s leadership and in the institution itself. This trust had been built up by

honest UAW leaders over decades. Edmunds betrayed his union brothers and sisters, and he drove his union local into the ground. Edmunds did this while serving as a fiduciary, trusted to manage the financial affairs of the union. One Local 412 member stated that Edmunds “has not only robbed us of our money, but our credibility as well.” Edmunds’ actions “have caused the membership to lose faith in all of the elected officials at our Local Union Hall,” and he “has taken my dignity, the respect of my peers, and my pride in the UAW!”

The cost of rebuilding Local 412 has now been shifted to the International UAW, which has taken over the union local. Now, union members from all over the country will have to absorb the losses inflicted by Edmunds, losses and damage both to the financial well-being of the union and to its integrity.

Another aspect of Edmunds’ crimes was his effort to flee and escape arrest after he was charged in a criminal complaint. For six days in November 2021, Edmunds successfully evaded arrest after he learned he had been charged with embezzling union funds. As described in detail in the government’s Response to the Defendant’s Motion to Modify Bond Conditions, Docket No. 22, Edmunds lied to federal agents, defeated electronic tracking devices, and avoided capture after federal agents attempted to arrest him and conduct a search warrant at his home. Federal law enforcement was then forced to seek him out until he finally surrendered

six days later. Edmunds' actions in this regard should be taken into consideration by the Court in fashioning a sentence. They contrast starkly with most white collar prosecutions, where defendants willingly turn themselves in and comply with the directions of law enforcement. However, it is evident that Edmunds believes that the rules and the law do not apply to him.

C. Respect for the Law and Just Punishment

The Court's sentence for Edmunds' crimes needs to promote respect for the law and impose just punishment for his misconduct. Edmunds was a trusted local UAW official. From that position of trust, Edmunds intentionally acted to violate federal law for his own personal benefit. Appropriately, Edmunds' sentencing guideline range has been enhanced because of his abuse of a position of trust.

The hard-working men and women of Local 412 believed that their union leaders were seeking to better their lives and job conditions, not stealing union dues so that Edmunds could play Blackjack, buy a shotgun, or drive a Jeep Grand Cherokee Trackhawk. The damage done to the UAW and the labor movement generally cannot be calculated. There is no doubt, however, about the need to impose punishment for the wrongdoing and to vindicate the rule of law in the face of such long-standing and extensive criminal conduct.

In response to Edmunds' crimes, Local 412 members have asked the Court to vindicate the law by giving him the "harshest penalty," and that he "needs to be held accountable for his actions." Another union member stated that Edmunds' "outright theft of obscene amounts of money from the dues of his union 'brothers and sisters' to finance his personal greed and immoral lifestyle cannot be allowed to stand without receiving the strongest punishment available." A number of Local 412 members asked the Court to "consider the maximum allowable term of imprisonment" and a "steep penalty."

D. Deterrence

Millions of Americans are members of labor unions. They depend on the leadership of their unions to act zealously in the best interests of the membership and their families and to manage and use the dues money of union members with integrity and only for lawful purposes approved of by the membership. Given the importance of the financial integrity of labor unions, general deterrence is an important component of the Court's sentence in this case. Union officials need to know that labor corruption will be punished. They need to know that they occupy positions of trust over their members and their families. In overseeing the use of union members' dues money, union leaders must conduct themselves at the highest level of honesty, integrity, and transparency. The membership of the UAW and

other unions need men and women who will lead with integrity and who will put the interests of the members and their families above all other considerations. Any effort to violate the law for personal aggrandizement or greed must be punished.

The Court needs to send a message that corruption by labor union leaders will be punished severely. One Local 412 member asked the Court to “make an example out of him that will be long remembered by those in positions of trust, as well as by the victims he has harmed.” A sentence at the top of the guideline range of 57 months, combined with an order of restitution of \$2.1 million, is an appropriate sentence given the circumstances of Edmunds’ crimes and his conduct since being prosecuted.

III. Conclusion

Edmunds brazenly embezzled \$2.1 million in dues money of union members over the course of six years. He betrayed thousands of people who put their trust in him. He inflicted severe damage on UAW Local 412 and the International UAW, both in terms of financial loss, but also undermining the faith of union members in these institutions. Other union officials need to know that they will receive significant prison sentences for similar crimes. Under the circumstances, the Court should sentence Edmunds to 57 months in prison, combined with restitution to UAW

Local 412 of \$2,143,363.49, and a substantial fine, so as to achieve the goals of Section 3553(a).

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Dated: July 19, 2022

CERTIFICATE OF SERVICE

I hereby certify that on July 19, 2022, I electronically filed the foregoing document with the Clerk of the Court using the ECF system, which will send notification of such filing to the following:

Counsel of Record for Timothy Edmunds

*s/*David A. Gardey
DAVID A. GARDEY
Assistant United States Attorney

Dated: July 19, 2022